

Message Text

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PAGE 01 HALIFA 00131 010655Z

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 /067 W

-----012333Z 124836 /70

R 312000Z MAR 77

FM AMCONSUL HALIFAX

TO SECSTATE WASHDC 1588

INFO AMEMBASSY OTTAWA

UNCLAS HALIFAX 0131

E O 11652: N/A

TAGS: EFIN CA

SUBJECT: NEW BRUNSWICK'S BUDGET: WHAT THE RIGHT
HAND GIVETH...

1. THERE WAS GOOD NEWS--AND BAD--ON TAXES WHEN
NEW BRUNSWICK FINANCE MINISTER ANNOUNCED THE PROVINCE S
1977-8 BUDGET ON MAR 15. PERSONAL INCOME TAX IS TO
BE LOWERED BY SLIGHTLY MORE THAN 4 PERCENT IN 3 STAGES
BETWEEN 1/1/77 AND 1/1/79. CORPORATE TAX ON SMALL
BUSINESSES WILL BE REDUCED TO 9 PERCENT FROM 10 PERCENT.
FOR LARGE BUSINESSES, HOWEVER, CORPORATION TAX WILL BE
INCREASED TO 12 PERCENT, THE NATIONAL AVERAGE. FORESTRY
COMPANIES WILL PAY HIGHER STUMPAGE FEES ON CROWN LANDS
AND MINING COMPANIES TOO WILL PAY AS-YET-UNANNOUNCED
HIGHER TAXES.

2. TOTAL EXPENDITURES ARE FORECAST AT A RECORD DOLS
1.317 BILLION, UP DOLS 154 MILLION OVER 1976-7
BUDGET FOR FISCAL YEAR WHICH ENDED 3/31/77.
EXPENDITURES ON HIGHWAY AND BRIDGE CONSTRUCTION
WILL TOTAL DOLS 121 MILLION WITHIN RECORD CAPITAL
EXPENDITURES OF DOLS 178.7 MILLION, UP 19 PERCENT
FROM PREVIOUS BUDGET.

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EM REVENUE IS ESTIMATED AT DOLS 1.151 BILLION
WITH TOTAL BORROWING ESTIMATED AT A MAXIMUM OF
DOLS 170 MILLION. PROVINCIAL ECONOMY IS FORECAST
TO GROW "AT A SLIGHTLY HIGHER RATE" THAN THE NATIONAL
ONE, OR BETWEEN 3.5 AND 4.5 PERCENT, WITH MOST OF THE
GAINS EXPECTED AFTER SEPT 1.

4. POUCHING COPIES OF BUDGET TO EMBASSY OTTAWA AND
TO EUR/CAN.

5. COMMENT: THE SMALL SAVINGS ON INCOME TAX FOR
NEW BRUNSWICKERS WILL BE REALIZED ONLY BY THOSE HARDY
SOULS WHO FORGO TELEPHONES, ELECTRICITY, AND CABLE TV.
THE HIGHER CORPORATE TAX LEVIED ON THE UTILITY COMPANIES
WILL BE PROMPTLY PASSED ON--MUCH OF IT ANYWAY--TO
THEIR CUSTOMERS, THUS PROVING ONCE AGAIN
THAT WHAT THE RIGHT HAND GIVETH THE LEFT HAND TAKETH
AWAY. END COMMENT.
MOORE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROVINCE, GOVERNMENT BUDGET
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HALIFA00131
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From: HALIFAX
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t1977034/aaaaactp.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1fb3d4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Reference: n/a
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Review Content Flags:
Review Date: 22-Sep-2004 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3048576
Secure: OPEN
Status: NATIVE
Subject: NEW BRUNSWICK'S BUDGET: WHAT THE RIGHT HAND GIVETH...
TAGS: EFIN, CA
To: STATE
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